



BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE
Foreign-Trade Zones Board
(B-61-2019)

Foreign-Trade Zone (FTZ) 155 – Calhoun/Victoria Counties, Texas
Notification of Proposed Production Activity
Caterpillar, Inc.
(Tractors and Forestry Machines)
Victoria, Texas

The Calhoun/Victoria Foreign Trade Zone, Inc., grantee of FTZ 155, submitted a notification of proposed production activity to the FTZ Board on behalf of Caterpillar, Inc. (Caterpillar) located in Victoria, Texas. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on September 27, 2019.

Caterpillar already has authority to produce hydraulic track-type excavators and related fabricated frame assemblies within FTZ 155. The current request would add finished products and foreign-status materials/components to the scope of authority. Pursuant to 15 CFR 400.14(b), additional FTZ authority would be limited to the specific foreign-status materials/components and specific finished products described in the submitted notification (as described below) and subsequently authorized by the FTZ Board.

Production under FTZ procedures could exempt Caterpillar from customs duty payments on the foreign-status materials/components used in export production. On its domestic sales, for the foreign-status materials/components noted below and in the existing scope of authority, Caterpillar would be able to choose the duty rates during customs entry procedures that apply to track-type tractors and forestry machines (duty

free). Caterpillar would be able to avoid duty on foreign-status components which become scrap/waste. Customs duties also could possibly be deferred or reduced on foreign-status production equipment.

The materials/components sourced from abroad include: oil lubricant; plastic hose assemblies; cork sheets; cork gaskets for fuel tanks; cork plugs; paper certificates; paper envelopes; steel clamps for external mirrors; steel tooling and dies; steel installation crimping tools; steel brackets; flexible exhaust tubes for cooling; steel brackets for wire harnesses; steel plates for wire harnesses; steel plates for whole frame assemblies; heel assemblies; steel frame assembly blocks; steel covers for frame assemblies; undercarriage tracks; walkway assemblies for frame of excavators; steel sheets for frame assemblies; tube assemblies for grease lines; steel doors; radiator shrouds; boom assemblies (whole boom); guard assemblies for frame of excavators; steel pins; ignition systems; horns for excavator cabs; wiper blades for excavator cabs; lighting for excavator cabs; horn assemblies; wiper blade assemblies; mounted cameras; electronic navigational displays; alarm assemblies for rollover/backup protection; guard plates; steel connectors; inertial measurement unit navigational sensors; breakout electrical testing sensors; electrical sensors; and, boot scrapers (steel with plastic bristles) (duty rate ranges from duty-free to 5.3%).

The request indicates that certain materials/components are subject to special duties Section 301 of the Trade Act of 1974 (Section 301), depending on the country of origin. The applicable Section 301 decisions require subject merchandise to be admitted to FTZs in privileged foreign status (19 CFR 146.41).

Public comment is invited from interested parties. Submissions shall be addressed to the Board's Executive Secretary and sent to: ftz@trade.gov. The closing period for their receipt is **[INSERT DATE 40 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

A copy of the notification will be available for public inspection in the "Reading Room" section of the Board's website, which is accessible via www.trade.gov/ftz.

For further information, contact Diane Finver at Diane.Finver@trade.gov or (202) 482-1367.

Dated: October 3, 2019

Camille R. Evans

Acting Executive Secretary

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